

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2015

Docket No. ACR2015

CHAIRMAN'S INFORMATION REQUEST NO. 6

(Issued January 22, 2016)

To clarify the basis of the Postal Service's estimates in its FY 2015 Annual Compliance Report (ACR), filed December 29, 2015,¹ the Postal Service is requested to provide written responses to the following requests and questions. Answers should be provided to the requests and individual questions as soon as they are developed, but no later than January 29, 2016.

Customer Access

1. Please provide an Excel spreadsheet showing all post offices, stations, and branches, under suspension at the end of FY 2015, including the following data for each such office:
 - a. Office Name;
 - b. Office Type (post office, station, branch, or other);
 - c. City Location;
 - d. State;
 - e. Zip Code;
 - f. Date Suspended;

¹ United States Postal Service FY 2015 Annual Compliance Report, December 29, 2015 (FY 2015 ACR).

- g. Date Reopened (if applicable);
 - h. Suspension Reason;
 - i. Discontinuance Proposal Posting Date;
 - j. Date of Community Meeting; and
 - k. Date of Posting of Final Determination to Discontinue.
2. Please provide a copy of the Collection Point Management System (CPMS) database as of the end of FY 2015. In it, please include:
- a. An update to the fields provided to the Commission by the Postal Service in Responses to CHIR No. 1, question 16 in Docket No. ACR2014.² See Library Reference USPS–FY14–43, Excel files "ChIR1.Q16–CPMS–Data–1.xlsx" and "ChIR1.Q16–CPMS–Data–2.xlsx."
 - b. The data fields pertaining to density volume testing that are referenced on page 24, footnote 22, of the Postal Service's Service Performance Measurement proposal. See Docket No. PI2015-1, United States Postal Service Performance Measurement, Revised March 24, 2015, at 24 n.22.
3. Library Reference USPS–FY15–33, Excel file "PostOfficesFY2015.xls," tab "Post Offices," column E shows that no post offices, stations/branches, or carrier annexes closed during FY 2015. However, the Postal Service's FY 2015 Annual Report shows that the number of post offices, stations/branches, and carrier annexes declined from 35,649 in FY 2014 to 35,520 in FY 2015. See Library Reference USPS–FY15–17, at 26. Please reconcile the differences between Library Reference USPS–FY15–33 and the FY 2015 Annual Report.
4. Please provide Excel spreadsheets including Office Name (or other appropriate identifier), Unit Type (Community Post Office (CPO) or Contract Postal Unit (CPU), Location (City and State), and 5-Digit ZIP Code for the following:

² Docket No. ACR2014, Responses of the United States Postal Service to Questions 1-2, 3a-b, 3d, 4, 6, 7a-e, 8-9, and 11-21 of Chairman's Information Request No. 1, January 16, 2015 (Responses to CHIR No. 1).

- a. CPUs and CPOs in existence at the beginning of FY 2015;
 - b. CPUs and CPOs newly established in FY 2015;
 - c. CPUs and CPOs closed during FY 2015; and
 - d. CPUs and CPOs in existence at the end of FY 2015.
5. Please provide the number of Automated Postal Centers (APCs) in operation as of the end of FY 2015. Please describe any formal plan(s) for the addition of more APCs during FY 2016.
6. Please provide an update for FY 2015 of the table entitled, "Retail Revenue by Channel" as shown in Postal Service Responses to CHIR No. 1, question 5 in Docket No. ACR2013. See Responses of the United States Postal Service to Questions 1-3, 5-10 and 12 of Chairman's Information Request No. 1, January 13, 2014.
7. Please provide the proportion of collection boxes for which the last mail pick-up time is:
 - a. Midnight to 11:59 a.m.
 - b. Noon to 2:59 p.m.
 - c. 3:00 p.m. to 4:59 p.m.
 - d. 5:00 p.m. to 6:59 p.m.
 - e. 7:00 p.m. to 11:59 p.m.
8. Please provide an update of Library Reference USPS-FY13-NP28 for FY 2015.
9. Please provide the number of POSTPlan level 2, level 4, and level 6 offices where the realignment of office hours pursuant to POSTPlan had not yet taken place by October 1, 2015.

Package Services

10. The Postal Service states in its Responses to CHIR No. 2, question 13, part b,³ that increases in mail processing and transportation costs for Media Mail/Library Mail may be due to sampling variation.
 - a. Please provide the total number of In-Office Cost System (IOCS) tallies, the coefficient of variation for the IOCS-based cost estimate, and the 95 percent confidence interval for the cost coverage for Media Mail for FY2015, FY2014, and FY2013.
 - b. Please provide the total number of In-Office Cost System (IOCS) tallies, the coefficient of variation for the IOCS-based cost estimate, and the 95 percent confidence interval for the cost coverage for Library Mail for FY2015, FY2014, and FY2013.
11. Please refer to the following two tables from Library Reference USPS-FY14-33, Excel file "PostOfficesFY2014," and Library Reference USPS-FY15-33, Excel file "PostOfficesFY2015," showing the total number of Post Offices, stations/branches, and carrier annexes at the beginning and end of their respective fiscal year.

³ Responses of the United States Postal Service to Questions 1-14 of Chairman's Information Request No. 2, January 15, 2016 (Responses to CHIR No. 2).

Post Offices - FY 2014				
Area	Office Type	Total at Start of Fiscal Year	Closings During Fiscal Year	Total at End of Fiscal Year
Capital Metro	Post Offices	2174	0	2175
	Stations/Branches	557	0	566
	Carrier Annexes	107	0	108
Eastern	Post Offices	5495	0	5496
	Stations/Branches	785	0	783
	Carrier Annexes	90	0	90
Great Lakes	Post Offices	3333	0	3333
	Stations/Branches	416	0	418
	Carrier Annexes	81	0	83
Northeast	Post Offices	3060	0	3061
	Stations/Branches	918	0	915
	Carrier Annexes	99	0	100
Pacific	Post Offices	1090	0	1091
	Stations/Branches	678	0	683
	Carrier Annexes	76	0	76
Southern	Post Offices	4724	0	4725
	Stations/Branches	921	0	922
	Carrier Annexes	105	0	109
Western	Post Offices	6772	0	6774
	Stations/Branches	674	0	661
	Carrier Annexes	131	0	132
NATIONAL	Post Offices	26648	0	26655
	Stations/Branches	4949	0	4948
	Carrier Annexes	689	0	698

Post Offices - FY 2015				
Area	Office Type	Total at Start of Fiscal Year	Closings During Fiscal Year	Total at End of Fiscal Year
Capital Metro	Post Offices	2149	0	2149
	Stations/Branches	292	0	292
	Carrier Annexes	93	0	89
Eastern	Post Offices	5339	0	5339
	Stations/Branches	463	0	453
	Carrier Annexes	65	0	64
Great Lakes	Post Offices	3296	0	3296
	Stations/Branches	231	0	231
	Carrier Annexes	60	0	60
Northeast	Post Offices	3023	0	3023
	Stations/Branches	444	0	444
	Carrier Annexes	75	0	74
Pacific	Post Offices	1088	0	1088
	Stations/Branches	333	0	333
	Carrier Annexes	57	0	57
Southern	Post Offices	4641	0	4641
	Stations/Branches	930	0	589
	Carrier Annexes	84	0	82
Western	Post Offices	6660	0	6660
	Stations/Branches	447	0	447
	Carrier Annexes	103	0	101
NATIONAL	Post Offices	26196	0	26196
	Stations/Branches	2789	0	2789
	Carrier Annexes	537	0	527

- a. Please confirm that the column “Total at End of Fiscal Year” from the FY 2014 table does not match the column “Start of Fiscal Year” from the FY 2015 table. For example, the National Post Offices total at the end of FY 2014 was 26,655 while the National Post Offices total at the beginning of FY 2015 was 26,196; a difference of 459 Post Offices. If not confirmed, please explain.
 - b. If confirmed, please explain the discrepancies.
12. Please refer to Library Reference USPS-FY15-33, Excel file “DeliveryPointsFY2015.”

- a. Please provide definitions for the headers in the sheets titled: “Beginning FY 2015” and “End FY 2015,” row 1: ACTIVE RES CURB, ACTIVE RES SDWK, ACTIVE RES NDCBU, ACTIVE RES CENTRAL, ACTIVE RES OTH1, ACTIVE BUS CURB, ACTIVE BUS SDWK, ACTIVE BUS NDCBU, ACTIVE BUS CENTRAL, ACTIVE BUS OTH1, Active Res, Active Bus.
 - b. With respect to the subsequent sheets, please define their titles: CURB; SDWK; CENT; NDCBU: OTHER. Also, in the note on the first sheet, there is an explanatory comment that reads, “In addition, there is a new tab titled "Sdwk," which reports the number of potential residential and business sidewalk delivery points.” Please explain what “potential” means in this context.
13. Please resubmit Library Reference USPS-FY15-33, Excel file “PostOfficesFY2015,” tab “Suspensions” with information linked back to the source data.
14. Please refer to the following table from Library Reference USPS-FY15-33.

Suspensions - FY 2015				
Area	Office Type	Suspensions at Start of Fiscal Year	Suspensions During Fiscal Year	Suspensions at End of Fiscal Year
Capital Metro	Post Offices	20	1	22
	Stations/Branches	8	0	7
	Carrier Annexes	0	0	0
Eastern	Post Offices	124	22	152
	Stations/Branches	26	4	29
	Carrier Annexes	1	0	1
Great Lakes	Post Offices	33	8	40
	Stations/Branches	10	1	11
	Carrier Annexes	0	0	0
Northeast	Post Offices	31	9	40
	Stations/Branches	15	4	19
	Carrier Annexes	0	0	0
Pacific	Post Offices	9	1	11
	Stations/Branches	15	3	18
	Carrier Annexes	0	0	0
Southern	Post Offices	59	5	64
	Stations/Branches	14	1	15
	Carrier Annexes	0	0	0
Western	Post Offices	122	17	140
	Stations/Branches	9	0	8
	Carrier Annexes	0	0	0
NATIONAL	Post Offices	398	63	469
	Stations/Branches	97	13	107
	Carrier Annexes	1	0	1

- a. Please confirm that the formula for finding “Suspensions at End of Fiscal Year” is “Suspensions at Start of Fiscal Year” + “Suspensions During Fiscal Year.” If not confirmed, please explain.
- b. Please confirm there are discrepancies in various categories where “Suspensions at Start of Fiscal Year” + “Suspensions During Fiscal Year” does not equal “Suspensions at End of Fiscal Year.” For example, Capital Metro Post Offices had 20 suspensions at the start of the fiscal year, 1 suspension during the fiscal year, but ended the fiscal year with 22 suspensions. If not confirmed, please explain. If confirmed, please reconcile all discrepancies.

Service Performance

15. Please refer to Library Reference USPS–FY15–29, Excel file “FY15 ACR First-Class Mail.xls.” Please confirm actual mail volumes are used to weigh the External First-Class (EXFC) Measurement System service performance results at the service standard, national, area, and district levels. If confirmed, please provide actual First-Class Mail volumes (used by EXFC), disaggregated by district, quarter, and associated service standard for the following products:
 - a. Single-Piece Letters/Postcards Overnight;
 - b. Single-Piece Letters/Postcards 2-Day;
 - c. Single-Piece Letters/Postcards 3-5-Day;
 - d. Flats Overnight;
 - e. Flats 2-Day; and
 - f. Flats 3-5-Day.
16. Please refer to Library Reference USPS–FY15–29, zipfile “FY15-29.” With respect to FY 2015 First-Class Mail, Standard Mail, Periodicals, and Package Services volumes, please provide the following, disaggregated by class, product, and service standard:
 - a. Percentage of mail in measurement;
 - b. Percentage of mail entered at Full-Service IMb prices and included in measurement; and
 - c. Percentage of mail processed as Full-Service IMb, but excluded from measurement.
17. The New York district reported relatively low service performance scores throughout all four quarters of FY 2015 when compared to other districts. Please discuss all factors that contributed to low service performance results in the New York district.

18. During the second quarter of FY 2015, the New York district reported the lowest scores (44.29 percent on-time) relative to other districts for First-Class Mail Single-Piece Letters/Postcards with a 3-5-Day service standard.
 - a. Please discuss the specific factors that contributed to the New York district only achieving 44.29 percent on-time performance in the second quarter for First-Class Mail Single-Piece Letters/Postcards with a 3-5-Day service standard.
 - b. Did these factors contribute to low scores in other districts during the second quarter (e.g., Los Angeles district - 47.85%, South Florida district – 48.61%, Triboro district – 49.97%, etc.)? In addition, please identify and discuss other factors, if any, that effected service performance results for these and other districts.
19. Please refer to Library Reference USPS–FY15–29, Excel file “FY15 ACR First-Class Mail.xls.” With respect to performance results during the second quarter, please discuss the factors that led to low service performance results for First-Class Mail Flats with a 3-5-Day service in the Northeast and Southern areas (*i.e.*, lower than 50 percent on-time).
20. Please refer to Library Reference USPS–FY15–29, Excel file “FY15 ACR Standard Mail.” With respect to End-to-End Standard Mail Flats, please discuss the challenges the Postal Service faces in achieving on-time delivery for mail with
 - a:
 - a. 3-5-day service standard;
 - b. 6-10-day service standard; and
 - c. 11-day-and-above service standard.
21. Please refer to the FY 2015 Annual Performance Report included in the Postal Service’s FY 2015 Annual Report to Congress. In the Annual Performance Report, the Postal Service states that “[w]eather incidents continue to affect performance” Library Reference USPS-FY15-17, December 29, 2015, at 15.

Please provide a list of weather incidents that impacted service performance.

For each weather incident please provide the following information:

- a. The fiscal quarter in which the weather incident occurred.
 - b. The district(s) impacted by each weather incident.
 - c. A detailed explanation of how operations were affected by each weather incident (e.g., carriers could not walk through snow, trucks could not drive from one processing plant to another, flights were canceled, etc.).
 - d. An explanation (and quantification) of how nationwide service performance was impacted during the fiscal quarter in which each weather incident occurred.
 - e. An explanation (and quantification) of how each weather incident impacted the service standards for each market-dominant product (e.g., First-Class Mail 2-3 day, First-Class Mail Presort Overnight, etc.).
22. Please refer to the cost data provided in Library Reference USPS–FY15–NP27 for the following Competitive products: Priority Mail Contract 41, Priority Mail Contract 45 (Pallet Open and Distribute component only), Priority Mail Contract 61, Priority Mail Contract 62, Priority Mail Contract 101, and Priority Mail Contract 138.
- a. In Library Reference USPS–FY15–NP27, “Priority” folder, Excel file “TRACS HWY cost per mile FY15,” tab “cost per mile,” cell F10, the FY 2015 Inter-SCF average cost per mile is different than the average cost per mile used in the financial models for the above listed Priority Mail contracts.
 - i. Please confirm that the cost per mile input in the Excel file for each of the above Priority Mail contracts, tab “Partner Unit Costs,” cells C14-F14 (Inter-SCF cost per mile) is based on an average from FY 2015 Quarters 2, 3, and 4.

- ii. If confirmed, please explain why the FY 2015 Inter-SCF cost per mile is not used.
 - iii. If not confirmed, please provide the source of the average Inter-SCF cost per mile used in the model.
 - b. Please specify whether any additional inputs to the financial models for the above contracts rely on partial FY 2015 data. If so, please specify which inputs, the reason(s) for relying on partial FY 2015 data, and explain any adjustments made to account for partial year calculations.
 - c. In Library Reference USPS–FY15–NP27, in the Excel files associated with each of the above contracts, please provide the actual data and source of data for cells C14-F14 and C19-F19 in the “Partner Unit Costs” tab.
23. Please refer to the cost data provided in Library Reference USPS–FY15–NP27 for the following Competitive product: Priority Mail Contract 45 (Priority Mail Open and Distribute component only). Please provide the actual data and source of data for cells C11, C12, D14, and E14 in the “Partner Unit Costs” tab.
24. Please refer to the cost data provided in Library Reference USPS–FY15–NP27 for the following Competitive product: Priority Mail Express Contract 25. Please provide the actual data and source of data for cells C31-C34 in the “Partner Unit Costs” tab.
25. Please refer to the cost data provided in Library Reference USPS–FY15–NP27 for the following Competitive product: Parcel Select Return Contract 4. Please provide the actual data and source of data for cells C7, C12, and C13 in the “Partner Unit Costs” tab.
26. Please refer to the cost data provided in Library Reference USPS–FY15–NP27 for the following Competitive products: Parcel Select Return Contract 7, Parcel Select Return Contract 9, and Parcel Select Return Contract 10. Please provide the actual data and source of data for cells C7 and C12 in the “Partner Unit Costs” tab.

27. Please refer to the cost data provided in Library Reference USPS–FY15–NP27 for the following Competitive product: Parcel Select Return Contract 8. Please provide the actual data and source of data for cell C15 in the “Partner Unit Costs” tab.
28. Please refer to the cost data provided in Library Reference USPS–FY15–NP27 for the following Competitive product: First Class Package Service Contract 36. Please provide the actual data and source of data for cells F11 and F12 in the “Partner Unit Costs” tab.

By the Acting Chairman

Robert G. Taub